INFORMATION LETTER

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USDA Research Policy Group Reviews Committee Functions

A statement reaffirming the objective set forth by Congress in the Research and Marketing Act of 1946 was drafted by the USDA's Agricultural Research Policy Committee at its meeting in Washington October 24-25.

The objective of the Act is "to assure agriculture a position in research equal to that of industry." The committee's statement said, in part:

"Advisory committees can perform a valuable function in research program development. The Agricultural Research Policy Committee should concern itself with broad policy problems and should seek to improve the operation of commodity and functional committees as a means of identifying and selecting specific areas toward which the research program should be directed.

"The objectives of agricultural research should be reviewed from time to time. Well-stated objectives are valuable in appraising the importance of and in selecting for attention specific problems that are important to the accomplishment of major objectives.

"Adjustments in the current program to reach broad objectives involve more emphasis in several areas. Basic research needs to be expanded. Greater emphasis is needed on both basic and applied research that will lead to (1) new industrial uses for agricultural products are economically practicable, (2) improved marketing techniques and efficiencies in processing and distribution, (3) expanded domestic and foreign markets, (4) developing, maintaining, and objectively measuring product quality, (5) more effective use of food as a means of achieving human vigor and health, (6) balancing production and market demand, and (7) improved basic information as a background for agricultural policies and programs."

The committee also prepared to undertake a study to determine the extent to which the USDA's present system of research and marketing advisory committees is carrying out the purposes set up for them in Title III of the Research and Marketing Act which provided for their establishment.

This study was stimulated in part by the recent suggestion by the House Appropriations Committee "that these advisory groups review their basic purpose" (see INFORMATION LETTER of May 18, page 184).

The study will be made by the Agricultural Research Policy Committee, and a report will be prepared for the Secretary of Agriculture.

Members of the committee, to the extent they can devote time to it, will participate in assembling the needed information and preparing the report. However, two consultants will be employed on a part-time basis to assist in assembling the information and preparing the report.

N.C.A. Convention Schedule and Program

The schedule of events and program for the N.C.A. Convention in Atlantic City is nearly complete.

General sessions—devoted to the N.C.A. annual meeting, marketing, and research—have been scheduled for Monday, Tuesday, and Wednesday mornings, and knowledgeable speakers have been booked for these programs. Arrangements are being completed for the technical luncheon meetings, which are to end at 2 p.m. This schedule follows the pattern established last year, with most of the daylight hours remaining for canner-broker-buyer conferences.

A graphic outline of the Convention schedule, including N.C.A. committee meetings, is on page 338.

Meeting of Canners on Fire Ant Quarantine

N.C.A. has arranged for a meeting of canners attending the public hearing in Memphis on USDA's proposal to quarantine 10 southern states where infestations of the imported fire ant have been found. The meeting of canners will be held in the King Cotton Hotel at 8 p.m. November 18, the evening preceding the USDA hearing (see INFORMATION LETTER of Oct. 26, page 325).

USDA Predicts More Processed Foods, More Marketing Margin

USDA suggests in a report on food marketing that the margin between the farm price and the retail price of food may increase in the future, as consumers utilize increasing volumes of convenience foods.

A substantial growth in the output of manufactured food products seems assured, USDA says, as the result of population growth, new product development, and the increase in the number of women working outside the home, with demand further affected by the level of disposable income.

"New and improved 'convenience' products that require little or no preparation in the home before serving are expected to make up a growing proportion of the output" of food in future years, according to the report, the 1958 outlook on *The Marketing and Transportation Situation*.

The farm value of food in the third quarter of this year was 2 percent higher than a year earlier and was higher than the average for any quarter since the third quarter of 1954.

The retail cost of foods in the third quarter was 4 percent higher than a year earlier. Meat products accounted for most of the increase, but all product groups except poultry and eggs and fruits and vegetables were higher than a year earlier.

The marketing margin, representing charges for assembling, processing and distributing farm food products, rose in each of the first three quarters of this year and averaged 5 percent higher in the third quarter than a year earlier.

The rise in the marketing margin is attributed by USDA to higher wage rates, higher prices for containers and other packaging materials, coal and fuel oil, trucks, machinery, construction, and rail freight transportation.

The "farmer's share of the consumer's retail food dollar" is expected to average 40 cents this year, the same as last year, but a decrease in the farmer's share in 1958 is forecast by USDA in view of the anticipated rise in marketing charges with no indicated increase in farm prices.

1958 Canners Convention Schedule

(TENTATIVE—SUBJECT TO REVISION AND ADDITION)

Pre-Convention Functions		Monday Jan. 20	Tuesday Jan. 21	Wednesday Jan. 22
Saturday, Jan. 18 12 m.—Administrative Council 7 p.m.—Resolutions Committee C. M. & S. A. EXHIBIT Sat., Jan. 18: 1 to 5 p.m. Sun., Jan. 19: 1 to 6 p.m. Mon., Jan. 20: 10 a.m. to 6 p.m. Tues., Jan. 21: 10 a.m. to 6 p.m. Wed., Jan. 22: 10 a.m. to 5 p.m. Sunday, Jan. 19 8 a.m.—Procurement Committee 9 a.m.—Consumer and Trade Relations Committee 9 a.m.—Consumer Service Committee 12 m.—Board of Directors (open) 2:30 p.m.—Board of Directors (closed session)	8:00 to 12:00	8 a.m.—Fishery Products Committee 9 a.m.—Nominating Committee	8 a.m.—Legislative Committee	
		CANNER-BROKER-BUYER CONFERENCES		
		Annual Meeting 10:00 to 12:00 Presiding: A. Edward Brown, President, N. C. A. Invocation Greetings: Mr. Brown Report of Nominating Committee: George B. Morrill, Jr., Chairman Election of Officers Report of Resolutions Committee: Robert A. Friend, Chairman Address: Installation of 1958 Officers	**Marketing Session** 10:00 to 12:00 A. C. Nielsen, Jr., Pres., A. C. Nielsen Company James A. Weaver James A. Weaver Company Cdr. Edward Whitehead Pres., Schweppes (U. S. A.) Ltd. Esther Foley Macfadden Publications, Inc.	**Research Session** 10:00 to 12:00 Dr. Robert E. Olson University of Pittsburgh Dr. Emil M. Mrak University of California J. Jerome Thompson Chas. Pfizer & Co., Inc.
	12:00 to 5:30	CANNER-BROKER-BUYER CONFERENCES		
		12 m.—Claims Committee 12 m.—Statistics Committee N. C. A.-C. M. & S. A. Technical Session 12:00 to 2:00 Fishery Products Technical Session 12:00 to 2:00	Raw Products Technical Session 12:00 to 2:00 Food Editors Luncheon 12:00 to 2:00	N. C. A.-C. M. & S. A. Technical Session 12:00 to 2:00 Raw Products Technical Session 12:00 to 2:00
Old Guard Party C. M. & S. A. Entertainment (theater party)	Evening	CANNER-BROKER-BUYER CONFERENCES		
		Young Guard Banquet	N. C. A. Banquet and Entertainment	C. M. & S. A. Dinner Dance

Trends

USDA reports that in 30 industries whose primary products are foods manufactured from farm-produced raw materials, the total number of plants decreased about 3 percent from 1947 to 1954, as measured by the Census of Manufactures. Decreases occurred in 17 of these industries and increases in 13. Output increased in almost all of the 13 industries in which the number of plants increased. Average output per plant seems to have increased also in most of the industries in which the number of plants decreased.

The production of manufactured food products in 1956 was about 13 percent larger than the average during 1947-49. The average rate of increase each year was 1.3 percent, slightly less than the rate of growth in the population. The increase of 13 percent in the output of manufactured foods is a composite of widely varying rates of change for individual products, as measured in the following table:

Production of Manufactured Food Products

(1947-49 = 100)

Industry	1950	1955	1956
Food manufactures	103	109	113
Meat products	105	128	133
Canned and frozen foods	110	118	133
Sugar	115	115	122
Dairy products	99	107	110
Confectionery	104	101	107
Misc. food preparations	98	106	105
Grain mill products	98	105	101
Bakery products	102	97	98

Source: Board of Governors, Federal Reserve System.

N.C.A. President Cautions on Creating Excessive Oversupply

A serious overpack of a canned food item one year should not be repeated the next, it was stated this week by N.C.A. President A. Edward Brown. "It does not help the public, it does not help agriculture, and it certainly works to the disadvantage of the industry," he stated.

A principal speaker at the annual convention of the Wisconsin Canners Association, Mr. Brown emphasized that he was referring only to situations of extreme overpack.

"I do not advocate that we should curtail production," he said. "I firmly believe it is the job of our industry to produce abundantly so that the needs of our growing population can be met at reasonable prices; so that canned foods can be found on an increasing number of American tables; and so that our industry will continue to grow as it has in the past."

He approved the policy of having ample supplies to meet demand, and stated that a "modest oversupply is often a good thing since it stimulates us to sell aggressively and broaden our market for the commodity involved." But he asserted that "serious overproduction undermines the financial health of the industry and reduces its ability to serve the public and the agricultural community whose products it markets."

Mr. Brown warned against the individual canner yielding to any temptation to overproduce on the presumption that an existing oversupply condition will result in a general industry curtailment and consequent price improvement. "If enough of us indulge in this type of reasoning," he declared, "the results are obvious."

Canners should promote the sale of the products and the speaker cited the accomplishments of the N.C.A. Consumer and Trade Relations Program. "This is a must and probably should be expanded even further if finances can be obtained," he said.

These highlights of Mr. Brown's speech were made available to canning industry trade journals in a press release, and other portions of his address were publicized in another press release issued by the N.C.A. Information Division to 119 Wisconsin newspapers, 90 radio-TV news directors in Wisconsin, and the wire services.

Dr. H. L. Stier, Director of the N.C.A. Division of Statistics, also spoke at the Wisconsin meeting, addressing the Marketing Session on "Facts vs. Fancy in Marketing Canned Foods."

Dr. Charles H. Mahoney and Dr. Edwin A. Crosby of the N.C.A. Raw Products Research Bureau attended portions of the Wisconsin meeting devoted to the canning crops contest of the National Junior Vegetable Growers Association, and also participated in the meeting at Milwaukee of the Pea Improvement Association and the Snap Bean Improvement Symposium. Meetings of Subcommittees and the Technical Advisory Committee to the N.C.A. Raw Products Committee also were held there during and following the Wisconsin convention.

N.C.A. Northwest Branch and Assn. of Pacific Fisheries

N.C.A. committeemen and staff were prominent on the program of the annual meeting of the N.C.A. Northwest Branch in Seattle November 11. The N.C.A. meeting was held jointly with the annual convention of the Association of Pacific Fisheries.

Walter Yonker, Manager, reported on the activities of the Northwest Branch. Dr. Ira I. Somers, Director of the N.C.A. Research Laboratories, described "Advantages Which Accrue to Industry through Research." C. L. Rumberger of the H. J. Heinz Co., who is chairman of the N.C.A. Scientific Research Committee, spoke on the value and necessity of research in modern food canning practices.

Problems in the industry, especially in the field of international affairs, were the subject of addresses by W. C. Arnold, managing director of Alaska Salmon Industry, Inc.; Donald L. McKernan, Director of the Bureau of Commercial Fisheries in the U. S. Fish and Wildlife Service; Loyd A. Royal, director of the International Pacific Salmon Fisheries Commission, Vancouver, B. C.; and Milton E. Brooding of California Packing Corp., chairman of the American Section, International North Pacific Fisheries Commission.

The Association of Pacific Fisheries elected the following officers for the coming year:

President—A. W. Brindle, Wards Cove Packing Co., Seattle; first vice president—Aubin R. Barthold, Alaska Packers Association, Seattle; second vice president—T. F. Sandoz, Columbia River Packers Assn., Inc., Astoria, Ore.; third vice president—Sydney M. Rosenberg, New England Fish Co., Seattle; fourth vice president—Stanley G. Tarrant, Pacific American Fisheries, Inc., Bellingham; and executive secretary—Herald A. O'Neill, Seattle (reelected).

Iowa-Nebraska Canners Assn.

C. P. Roberts of the H. J. Heinz Co., Muscatine, Iowa, was elected president of the Iowa-Nebraska Canners Association recently at the group's annual convention.

Tom Evans, Reinbeck Canning Co., Reinbeck, Iowa, was elected vice president, and Guy Pollock, Marshalltown, continues in office as secretary-treasurer.

Poultry Used in Processing

Poultry used in canning and other processed foods during the first nine months of 1957 totaled 158,486,000 pounds, an increase of 16 percent over the 136,747,000 pounds used during the same period of 1956, according to a report by the Agricultural Marketing Service of USDA.

	Jan.–Sept. 1956	1957
	(thousands of pounds)	
Young chickens	11,525	15,711
Mature chickens	104,349	112,160
Turkeys	20,817	30,483
Other poultry	56	128
Total, Jan.–Sept.	136,747	158,486

Pack of Canned Meat

The quantity of meat canned and meat products processed under federal inspection during the month of October has been reported by the Agricultural Marketing Service of USDA at 185,503,000 pounds, including quantities for defense.

CANNED MEAT AND MEAT PRODUCTS PROCESSED UNDER FEDERAL INSPECTION, OCTOBER, 1957

	3 Lbs. & over	Under 3 Lbs.	Total
	(thousands of pounds)		
Luncheon meat	11,984	10,874	22,857
Canned hams	22,161	442	22,603
Beef hash	385	7,607	7,991
Chili con carne	1,244	16,900	18,144
Vienna sausage	296	5,870	6,166
Frankfurters and wieners in brine	5	387	392
Deviled ham	.....	804	804
Other potted and deviled meat products	.....	3,195	3,195
Tamales	195	3,385	3,580
Sliced, dried beef	21	267	287
Chopped beef	.....	1,475	1,475
Meat stew	152	9,136	9,288
Spaghetti meat products	256	11,702	11,958
Tongue (not pickled)	28	168	196
Vinegar pickled products	821	1,764	2,585
Sausage	.....	675	675
Hamburger	370	3,013	3,384
Soups	1,761	35,859	37,621
Sausage in oil	479	354	833
Tripe	.....	365	365
Brains	.....	286	286
Loins and picnics	1,914	37	1,952
All other products 20% or more meat	1,100	7,067	8,767
All other products less than 20% meat (except soup)	980	14,422	15,402
Total all products	44,183	136,656	180,909

Columns do not add to totals shown in all cases since rounded figures are used. Amounts packed for defense are not included in these items. Total production, including quantities for defense agencies, was 185,503 thousand pounds.

General Crop Conditions

Crop prospects on November 1 continued to indicate a total output equal to that of any previous year, according to the Crop Reporting Board of USDA.

Cotton and tobacco, both nonfoods, are down from last year by 10 and 20 percent, respectively. Significant increases in production of food crops are reported for corn, now indicated to be the third largest crop of record, and other feed grains; rice, with a new record yield in prospect; and sugarcane for sugar and seed.

The index of all-crop production on November 1 was 106, same as a month earlier, equaling the previous record reached in 1956 and 1948. The index of yield for 28 major crops is at 127, the highest for any year (1947-49 = 100).

The 1957 production of sweet potatoes is estimated 3 percent larger than 1956 output. The crop in Louisiana is down 9 percent from last year. Among other important canning states, production is smaller than 1956 in New Jersey and larger than last year in Maryland, Virginia, Mississippi, and Alabama.

Crop	Unit	1956	1957 Preliminary
		(thousands)	
Sweet potatoes	cwt.	16,922	17,378
Dry edible beans	bag	17,114	15,750
Rice	bag	47,402	42,877
Durum wheat	bu.	39,607	40,810

Deciduous Fruit Production

Estimated production of the major deciduous fruits as of November 1 totals 2 percent less than last year, according to the Crop Reporting Board.

Total production on November 1 remained unchanged from a month earlier, with a decline in grape tonnage offsetting an increase for apples. For apples, the largest crop since 1950 is expected. Pear production is estimated to be 1 percent less than in 1956, with the output of Bartlett pears in the three Pacific Coast states indicated at 1 percent above a year ago.

Crop	Unit	1956	1957 Preliminary
		(thousands)	
Apples	bu.	100,623	116,308
Pears	bu.	32,322	31,986
Grapes	ton	2,805	2,591
Cranberries	bbl.	970	1,037

Spinach for Processing

The prospective production of fall-crop spinach for processing is 26,300 tons, 10 percent more than the 1956 production of 23,800 tons but slightly less than average, according to the Crop Reporting Board of USDA.

Adequate moisture permitted growers in Arkansas and Oklahoma to plant a larger acreage of fall spinach than they have been able to get in for many years, and the crop there has made excellent progress to November 1. In Washington, under the stimulus of favorable weather, unusually good yields were obtained. Fall spinach in California and New Jersey is reported in excellent condition. Dry weather and damage from early frosts in New York forced abandonment of most of the fall acreage. Yields in Tennessee are expected to be good.

Following are prospects by states, based on November 1 conditions:

Seasonal Group and State	10-year ave. 1949–55	1956	1957 Preliminary	Percent change from 1956
	(tons)	(tons)	(tons)	
Winter	10,130	10,000	8,800	−12
Early spring	48,590	61,100	69,700	+14
Late spring	35,120	44,100	36,900	−16
Fall:				
Arkansas	980	1,400	1,500	+7
Oklahoma	1,230	1,200	5,500	+358
Washington	3,110	4,400	4,600	+5
California	7,140	5,800	5,800	.....
Other states [1]	14,280	11,000	8,900	−19
Group total	26,750	23,800	26,300	+11
U. S. Total	120,580	139,000	141,700	+2

[1] Md., N. J., N. Y., Pa., Tenn., and Va.

Cucumbers for Pickles

Production of cucumbers for pickles reached a record high in 1957. At 15,443,000 bushels, this year's output was 12 percent larger than the 13,757,000 bushels obtained in 1956 and 35 percent above the 1946-55 average of 11,414,000 bushels, according to the Crop Reporting Board of USDA.

The record large crop is the result of high yields in the northern and western states and increased acreage in Michigan, Wisconsin, and North Carolina, South Carolina, and Texas.

The preliminary estimate of harvested acreage in 1957 is 127,880 acres and the yield is estimated at 121 bushels per acre. This compares with the average of 115 bushels obtained on 119,180 acres last year.

STOCKS

Stocks of salt and dill pickles in tanks and barrels on October 1 totaled

13,300,000 bushels, 6 percent more than the 12,565,000 bushels on hand a year earlier and 24 percent more than the 1946-55 average of 10,738,000 bushels on hand on October 1.

Stocks on hand from current year's production total 10,882,000 bushels or 70.5 percent of 1957 intake, the same proportion as in 1956. Carryover stocks of pickles on October 1 are lighter than in any year since 1952, according to USDA.

'Three Squares' Showings

"The Three Squares," canning industry motion picture project under the N.C.A. Consumer and Trade Relations Program, was shown on October 16 to 96 students at the Hobbs (Ind.) School and to 50 members of the Elwood (Ind.) Lions Club, and on October 17 to 104 students of the New Lancaster (Ind.) Elementary School. Arrangements for these showings were made by A. H. Noble of Ray Brothers and Noble Canning Co., Inc., Hobbs, Ind.

On October 16, through arrangements made by Stewart Butler of the Blue Mountain Division of the Green Giant Company, the movie was shown to an audience of 60 at the Dayton (Wash.) Kiwanis Club.

The Northwest Canners and Freezers Association on November 7 showed the film to 30 members of the Portland (Ore.) Leaders Club, and on November 12, to 30 members of the Portland (Ore.) Agenda Club.

Shipments of Glass Containers

Shipments of glass containers for food during the first nine months of 1957 have been reported by the Bureau of the Census, U. S. Department of Commerce.

	Jan.–Sept. 1956	1957
	(thousands of gross)	
Wide-mouth food (including fruit jars and jelly glasses)	27,942	30,148
Narrow-neck food	11,613	11,856

Shipments of Metal Cans

Shipments of metal cans for the first nine months of 1957 have been reported by the Bureau of the Census, U. S. Department of Commerce.

	Jan.–Sept. 1956	1957
	(short tons of steel)	
Fruit and vegetable (including juice)	1,302,227	1,221,272
Meat (including poultry)	110,332	102,600
Fish and seafood	86,019	94,888

Court Affirms ICC Regulation of Trucks with Canned Foods

On October 14, the Supreme Court affirmed without opinion a district court decision holding that powdered milk, dried egg powder, dried egg yolks, buttermilk, and quick frozen fruits and vegetables are agricultural commodities and not manufactured products thereof, for purposes of the exemption to the economic regulation of interstate trucking.

The district court had had before it a 1951 determination by the Interstate Commerce Commission that various products were or were not "agricultural commodities (not including manufactured products thereof)." Those products held to be within the classification were thereby included in the Section 203(b)(6) exemption of the Motor Carriers Act, and trucks hauling them would not be subject to the economic regulations of the Act.

The plaintiff in the district court was Frozen Food Express, which desired to carry agricultural commodities in interstate commerce free of the Act's restrictions. The plaintiff objected to the ICC classification that ruled many products to be manufactured—among them canned and frozen fruits and vegetables.

The district court had no difficulty finding that frozen fruits and vegetables were agricultural commodities, not manufactured products thereof, for the Supreme Court had ruled precisely to that effect in the fall of 1956 (see INFORMATION LETTER of Nov. 17, 1956). The district court went on to rule that certain other products were agricultural commodities, contrary to the earlier ICC determination.

The district court affirmed, however, the finding of the ICC that certain creamery products and "fruits and vegetables canned" were non-exempt as "manufactured products." "Each of these products has acquired a new identity, with new properties, and is devoted to new and different uses than its original principal ingredient. As a result of combination with other constituents, of treatment and processing by varied types of machinery and equipment, a new product has emerged. If the semanticist urges that a can of peaches or of condensed milk may not properly be described as a 'manufactured product,' it may well be that these items illustrate the point at which processing merges with manufacturing." A footnote makes it clear that only the original plaintiff urged that canned goods were non-exempt. The U. S. Department of Agriculture, which supported the plaintiff in his argument as to frozen foods, did not do so for canned foods.

The only appeal taken from this district court opinion was by the ICC, which limited its appeal to the finding that dried egg powder, dried egg yolks, powdered milk, buttermilk, and quick frozen fruits and vegetables were exempt. Frozen Food Express did not appeal the holding that canned fruits and vegetables were non-exempt, and the Supreme Court did not therefore rule on the question.

Under these court decisions and the enforcement policies of the ICC a distinction is made between frozen and canned fruits and vegetables. The former are exempt commodities, the latter are not. Some canners have suggested that such a distinction is unrealistic, and that if frozen foods can travel free of certain federal regulations, so should canned foods. Both the USDA and the ICC have rejected this view, and the district court decision discussed above explicitly ruled to the contrary.

Forthcoming Meetings

Nov. 18-20—Georgia Canners Association, Annual Convention, King & Prince Hotel, St. Simons Island

Nov. 20-22—Indiana Canners Association, Fall Meeting, French Lick-Sheraton Hotel, French Lick

Nov. 21-22—Michigan Canners and Freezers Association, Fall Meeting, Pantlind Hotel, Grand Rapids

Nov. 24-25—Pennsylvania Canners Association, 43rd Annual Convention, Yorktowne Hotel, York

Dec. 3—Minnesota Canners and Freezers Association, 51st Annual Convention, Radisson Hotel, Minneapolis

Dec. 4-6—Tri-State Packers Association, Annual Convention, Lord Baltimore Hotel, Baltimore, Md.

Dec. 5-6—New York State Canners and Freezers Association, 72d Annual Convention, Hotel Statler, Buffalo

Dec. 9-10—Ohio Canners Association, 50th Annual Convention, Neil House, Columbus

Dec. 9-10—Ontario Food Processors Association, Annual Meeting, Royal York Hotel, Toronto, Ont.

Dec. 14—National Food Sales Conference, National Food Brokers Association, The Conrad Hilton, Chicago

Jan. 6-8—Northwest Canners and Freezers Association, Annual Convention, Olympic Hotel, Seattle

Jan. 7-9—Ontario Food Processors Association, Fieldmen's Conference, Agricultural College, Guelph

Jan. 8-10—Illinois Canners Association, Canners School, University of Illinois and Urbana-Lincoln Hotel, Urbana

Jan. 9-10—Canners League of California, 55th Annual Fruit and Vegetable Sample Cuttings, Fairmont Hotel, San Francisco

Jan. 17-18—National Preservers Association, Annual Meeting, Atlantic City, N. J.

Jan. 20-23—NATIONAL CANNERS ASSOCIATION and Canning Machinery and Supplies Association, 51st Annual Convention, Atlantic City, N. J.

Food and Nutrition Group Cites Need for Study of Fats

Studies to provide better knowledge of fats and their role in human nutrition were favored by the USDA's Food and Nutrition Research Advisory Committee at its annual meeting in Washington November 4-6.

Established under the Research and Marketing Act of 1946, the committee is composed of outstanding food and nutrition authorities from all over the country.

The 11-member committee assigned high priority to three comprehensive proposals for extended research on dietary fats:

(1) More studies into methods of analyzing both vegetable oils and animal fats. Development of accurate micro- and macro-methods of analyzing these fats, the committee noted, would advance basic knowledge of the kinds of fats essential to human use and help establish the best conditions for commercial processing of edible fats.

(2) A study to strengthen knowledge of fats in nutrition by determining the fatty acid requirements of humans at various ages, the relationship of amounts and kinds of fat to the metabolism of other nutrients, desirable upper and lower limits of fat intake, and dietary precautions needed when different kinds of fat in diets are unusually high or low.

(3) Collection of additional data on fatty acids and other lipid fractions in foods. Present ability to estimate the content of essential fatty acids in foods and diets is still lacking, the committee pointed out, and there is little or no information on other fatty acids or lipid fractions.

Other high priority needs in food and nutrition research cited by the committee are:

(4) Expanded work on pesticide residues, including their possible toxic effects upon plants, animals, and soils.

(5) More work in compiling analytical data on the composition and nutritive value of foods. With increasing knowledge of the role of particular nutrients, the committee indicated, there is a demand for up-to-date values for food nutrients in order to plan diets and as a basis for nutrition education.

(6) Strengthened studies of methods for rapidly and accurately measuring quality in raw and processed agricultural commodities.

IRS Statement on Expense Deductions by Individuals

Following is the text of the statement issued November 11 by the Internal Revenue Service with regard to expense deductions by individuals on their 1957 income tax forms:

"The distribution of some advance copies of the individual income tax form for 1957 (Form 1040) has resulted in published reports in recent weeks relating to a new line, entitled '6(a) Travel, Reimbursed Expenses, etc.' for the reporting by an employee of expenses in connection with his employment. The decision to add this line was made by the Internal Revenue Service as a part of its continuing effort to provide space on the form for the entry of all essential information entering into the determination of correct taxable income. The additional line was not requested or suggested by the Joint Committee on Internal Revenue Taxation.

"The addition of line 6(a) does not mean that there has been any modification of the policy which the Revenue Service has followed for several years with regard to the substantiation of expenses claimed as a deduction. No more detailed records will be required for 1957 than have been needed in the past. In fact, the instructions on expense accounts for 1957 are identical with those issued in 1954, 1955, and 1956.

"The new line will enable the Service to give attention to those returns where deductions for expenses appear to be disproportionate in relation to the employee's income and occupation, and thus aid in detection of abuses that have arisen in this area.

"In the examination of individual tax returns for 1957 the Revenue Service will concentrate on major abuses in the expense account area and no requirement of unreasonably detailed records is intended. Instructions to Revenue Agents which have been outstanding since 1954 will remain in effect in 1957, and these instructions make it clear that expense accounts itemized 'to the last penny' as reported in some accounts are not in fact required. For example, a paragraph of an Internal Revenue ruling (54-195) published in 1954 and still in effect states as follows:

"'.03 Close approximations of items not fully supported by documentary proof can very frequently be reached by reconstruction through resort to reliable secondary sources of information and collateral evidence. For example, in connection with a claimed item of traveling expense, it might be possible for a taxpayer to satisfy the examiner that he was in a travel status a certain number of days out of each month or year but impossible for him to establish the details of all his various items of travel expense by documentary proof. In such a case rail fares or plane fares can be ascertained with exactness and automobile costs approximated on the basis of mileage covered. A reasonable approximation of meals and lodging might be based upon receipted hotel bills or by applying a daily rate (determined upon the basis of actual costs prevailing in the particular community for comparable accommodations) to the provable days of travel. Items such as tips, taxi fares, and the like can be based upon a reasonable approximation.'

"The new return forms, as usual, will be distributed to taxpayers during the latter part of December."

TABLE OF CONTENTS

PAGE

Convention
N.C.A. Convention schedule and program ... 337

Meetings
N.C.A. President cautions on creating excessive oversupply ... 339
N.C.A. Northwest Branch and Assn. of Pacific Fisheries ... 339
Forthcoming meetings ... 341

Personnel
Iowa-Nebraska Canners Assn. ... 339

Publicity
"Three Squares" showings ... 341

Raw Products
Meeting of canners on fire ant quarantine ... 337

Research
USDA research policy group reviews committee functions ... 337

PAGE

Food and nutrition group cites need for study of fats ... 342

Statistics
USDA predicts more processed foods, more marketing margin 337
Poultry used in processing ... 340
Pack of canned meat ... 340
General crop conditions ... 340
Deciduous fruit production ... 340
Spinach for processing ... 340
Cucumbers for pickles ... 340

Supplies
Shipments of glass containers ... 341
Shipments of metal cans ... 341

Taxes
IRS statement on expense deductions by individuals ... 342

Traffic
Court affirms ICC regulation of trucks with canned foods ... 341